



# WHAT IS TICO?

How it helps Ontario travellers

# Introduction

One of the last things on most travellers' minds when booking a trip is taking precautions to avoid being taken advantage of by a travel agent. However, with so many travel companies and offers out there, scam occurrences are on the rise, so it's important that you take steps to protect the money you invest in your trip.

The Travel Industry Council of Ontario (TICO) can help. It provides protection for consumers by regulating and monitoring travel agencies in Ontario to ensure they comply with industry regulations and laws. Booking with a TICO-registered travel agency gives you the peace of mind in knowing the agency meets industry standards, and if it doesn't, you can get assistance from TICO to solve any travel issues.

The following examines the current trip-booking trends of Canadian travellers, what TICO is and how it can help you protect your travel investment, how to avoid dealing with the wrong travel agencies and how to choose a quality travel agent, and offers advice for choosing full travel insurance.



# TRIP-BOOKING TRENDS OF CANADIAN TRAVELLERS



Investing in a trip is a big financial commitment for many Canadians, so it's important to protect it when booking travel arrangements. Unforeseen circumstances could arise that prevent you from going on your trip, cut your trip short or cause you to change travel arrangements. Consumers need to take precautions for how they choose to book travel.

Today, there are three main options for booking trips:

1. Travel agents
2. Online travel companies
3. Booking directly (with hotel websites, airlines, etc.)

Many Canadians still rely on travel agents and agencies to assist with travel planning. According to the Conference Board of Canada, "forty-four per cent plan to use the services of a travel agent to gather information, and 46 per cent intend to book their trip via a travel agent,"<sup>1</sup> for trips outside the country.

Travellers are least likely to use travel agents when travelling within Canada or the United States, and are much more likely to use a travel agent when travelling farther away from home:<sup>2</sup>

- **Mexico or the Caribbean:** 64% are very likely/somewhat likely to use a travel agent
- **Asia:** 61% are very likely/somewhat likely to use a travel agent
- **Europe:** 60% are very likely/somewhat likely to use a travel agent
- **US:** 30% are very likely/somewhat likely to use a travel agent

The majority of Canadian travellers plan to use the Internet for travel planning. Of those Canadians planning to travel outside

the country in the summer of 2015, 87% plan to use the Internet for travel research, and 79% plan to book some or all of their vacation plans online.<sup>3</sup>

Of the websites used to book travel online:<sup>4</sup>

- Expedia.ca is the most frequently used to research travel destinations (57%)
- Expedia.ca and Travelocity.ca are the most frequently used to compare prices (62% and 43%, respectively)
- Airline websites are the most frequently used to book flights (46%)
- Expedia.ca and hotel/resort websites are the most frequently used to book accommodations (43% and 31%, respectively)
- Destination and travel websites are used fairly equally to book trip activities

Close to half of Canadians (47.5%) are likely to purchase a vacation package in the summer of 2015, and travellers visiting Mexico and the Caribbean are the most likely to book a package (83%).<sup>5</sup>

Regardless of how you book your trip, where you visit or how you travel, TICO can help if you have travel concerns, a dispute with a travel company or if you want to learn more about your rights as a consumer.



## WHAT IS TICO?

TICO is an independent and self-managed corporation responsible for enforcing Ontario's *Travel Industry Act, 2002* and Ontario Regulation 26/05 for the Ontario government. TICO was established in 1997, and it governs more than 2,500 travel agencies and retailers that are registered in Ontario.

TICO is a "delegated administrative authority under the *Safety and Consumer Statutes Administration Act*, as a result of the mutual desire of the government and the travel industry to enhance professionalism, increase consumer protection and provide an effective and efficient regulatory body."<sup>6</sup>

### THE TICO MANDATE

TICO's mission is to "promote a fair and informed marketplace where consumers can be confident in their travel purchases,"<sup>7</sup> acting as a form of protection for travellers if they run into issues with a travel purchase.

TICO accomplishes their goals by overseeing four main regulatory areas. They develop high standards and efficient, effective and relevant regulatory mechanisms in:

- Consumer protection
- Consumer awareness

- Registration, inspection, supervision and discipline of travel companies
- Investigating and mediating disputes between consumers and registered travel agencies

Overseeing these areas establishes high standards for travel services provided to Ontario residents.

TICO works collaboratively with the following groups:

- **Consumers:** To help increase awareness of their rights and responsibilities under the *Travel Industry Act, 2002*
- **Travel agencies and industry associations:** To ensure there is an industry-wide commitment to ethical business practices
- **Government:** To administer the *Travel Industry Act, 2002* and to support a mandate of a fair, safe and informed marketplace

## SERVICES OFFERED

TICO offers services in five areas:

### 1. Consumer protection

- Consumer inquires
- Consumer awareness and education
- Administering the Ontario Travel Industry Compensation Fund
- Inspecting travel companies and investigating potential breaches of the *Travel Industry Act*

### 2. Travel company registration

- New applicants and renewals
- Registrant inquires
- Ensuring that industry standards and criteria are met

### 3. Complaint resolution

- Resolving complaints between consumers and travel agencies, consumers and TICO, and between travel agencies and TICO

### 4. Government liaison

- Working with the Ministry of Government and Consumer Services on regulatory reform and public interest matters

### 5. Other responsibilities

- Consumer education about the benefits of buying travel services from registered travel agencies and the risks of working with non-registered agencies
- Consumer education about e-commerce, online travel planning and the travel industry



# HOW TO PROTECT YOUR TRAVEL INVESTMENT

Consumers need to know their rights to protect their travel investment, and this starts with choosing the right travel companies for booking trips. "In Ontario, travel agents (retailers) and tour operators (wholesalers) must be registered with the Travel Industry Council of Ontario (TICO), which enforces the *Travel Industry Act*. Registered travel agents or tour operators have a TICO registration number, which they must display at the agency location or on their website,"<sup>8</sup> says Consumer Protection Ontario. Travel companies are also required to follow advertising regulations, as they must display the total cost of travel packages, surcharges and other fees.

When you book with a TICO-registered travel company, regardless of whether you book in person, over the phone or online, you have rights and you are protected. However, if you book directly with a tour operator, a hotel or an airline, you are not protected under the *Travel Industry Act*.

TICO-registered travel agencies and tour operators must provide you with the following information related to your trip:<sup>9</sup>

- Information about your destination (for example, travel warnings)
- An itemized invoice
- Travel requirements for your destination (for example, documentation, visas, passport requirements)
- Terms and conditions of your booking, including terms for cancellation
- Verification of your tickets, itinerary and other travel documents
- Disclosure about any fees for travel advice or consulting
- A receipt for your trip
- Information about trip cancellation insurance and travel health insurance

TICO also provides you with financial protection for travel services you paid for but did not receive due to bankruptcy or business closing of a registered travel agency, tour or cruise operator or airline. It may also cover replacement costs for meals, accommodations and transportation, up to a maximum of \$5,000.<sup>10</sup>

## FOUR WAYS TICO HELPS PROTECT YOUR TRAVEL INVESTMENT

Here is how TICO can help Ontario travellers protect their travel investment:<sup>11</sup>

- 1. Regulation:** Choosing a TICO-registered travel company is consumer protection for your travel investment. TICO ensures that all registered companies follow regulations for proper invoicing, disclosure, truthful advertising and financial compliance, and that they meet educational standards for the industry.
- 2. Monitoring:** TICO makes sure that travel agencies follow consumer protection laws, backed by the *Travel Industry Act*. They inspect, monitor and discipline all agencies that do not follow these laws. TICO promotes fair and ethical competition, a code of ethics, and encourages legislative changes, acting as an industry watchdog.

3. **Refunds:** TICO refunds money for services you paid for but did not receive due to closure or bankruptcy. When a company fails to provide services, TICO may reimburse you up to \$5,000. In some instances, TICO brings stranded passengers home.

4. **Complaints:** TICO can assist you in filing a complaint against a TICO-registered travel company, and they can communicate with your travel company and make sure consumer protection laws were followed.



## WHEN SHOULD YOU USE A TRAVEL AGENT?

There are some circumstances when using a travel agent makes more sense than trying to book travel yourself:

- Group travel
- Family vacations with extended family members
- Travelling to a country for the first time
- If you are looking for travel package deals
- When you have a difficult travel itinerary



## TIPS TO AVOID TRAVEL AGENCY SCAMS

We have all heard stories of travel agency scams. Unfortunately, these types of scams are occurring more frequently, particularly affecting Canadian travellers who book travel online.

The Royal Canadian Mounted Police<sup>12</sup> provides some effective advice for avoiding travel scams:

“Although vacation solicitations occur all year round, they tend to be more frequent during the travel season. Always use a healthy dose of skepticism when receiving these solicitations whether it be by email, fax or telephone. Especially when an

unknown company congratulates you for winning a free or an inexpensive deal on a resort vacation or cruise. This kind of solicitation will most likely be a travel scam. These illegitimate travel companies will ask for your credit card number and some personal information. Hence possibly compromising your identity and your finances.

"An additional risk is the deceptive practice of dishonest travel agencies to lure a victim to a remote destination and charge extra fees for features and services that were supposed to be included in the initial travel package. Therefore making your dream holiday into a very stressful experience. It is safer to deal with reputable, well established travel agents."

When working with travel companies, be aware of the possible signs of questionable conduct:

- Unsolicited travel offers by telephone or email
- Requests for advance payment without a written contract
- Limited-time offers that must be booked immediately
- Travel details are not specified in the written contract
- A price that seems too good to be true
- Trip-booking over the phone only
- High-pressure sales tactics
- Little or no presence of the travel company online
- The travel company has no professional credentials

Proceed with caution if you experience any of these situations.



## A CHECKLIST FOR CHOOSING A TRAVEL AGENCY

Choosing the right travel company can simplify your travel planning and give you peace of mind in knowing you are working with a reputable organization. Follow this checklist for choosing a travel agency in Ontario:

- **Research your travel options ahead of time:** Before choosing a travel agency to book your trip, narrow down your details. Know when you want to travel, where you want to go and the things you want to experience on your trip.
- **Make sure the travel companies you consider are registered with TICO:** This step alone can save you from being a victim of a travel scam or having issues with your booking company. "You can always check to see if your travel agency is registered with TICO by going to [www.tico.ca](http://www.tico.ca) and use the Travel Agency Search feature. Booking your travel services from a TICO registered travel agency ensures you are protected by the consumer protection provisions under the Ontario *Travel Industry Act*."<sup>13</sup>

- **Shop around:** Exploring your booking options will not only help you find a travel company that you are comfortable with, it will also help you find trip and travel deals that fit within your budget.
- **Know the terms and conditions of your travel plans:** Before signing any document, make sure you are completely clear on the terms of your trip. Know what you are purchasing, what is and is not included in your trip, the role and responsibilities of your travel agency, and the agency's policies on cancellation, travel changes and refunds.
- **Get a receipt:** All Ontario travel companies are required to provide you with a receipt for your purchase. The receipt must outline the details of your trip.
- **Read reviews:** Previous customer experiences can tell you a lot about the quality of customer service you can expect. Read reviews online about the travel companies you are considering using for your trip. Also, make sure the company you choose is not on the TICO Revocation list or the Suspension list, and remember to check the names in Charges and Convictions.

When considering travel-booking options or comparing travel agencies, consider the following:<sup>14</sup>

- Is the company registered with TICO?
- Is the company's website secure?
- What are the refund and cancellation terms and conditions?
- Which currency is the trip quoted in?
- Are there travel warnings or advisories for your destination?
- Do you have travel insurance to cover you if you are injured or fall ill?



## TRAVEL INSURANCE AND TICO

You never plan to cancel a trip when you are booking it. However, unexpected circumstances can arise, which is why a travel insurance cancellation and interruption policy is recommended. Cancellation fees from airlines, cruise lines and hotels can be severe. Without full travel insurance, you risk losing money on your trip if you need to cancel.

TICO recommends that all travellers get a travel insurance policy:

"Travel insurance is always recommended; in fact, your Ontario travel agency is required, at the time of booking, to advise you of the availability of trip cancellation insurance and out-of-province health insurance, if applicable. While nobody ever expects to cancel their vacation plans, unexpected situations can occur, and cancellation charges levied by airlines, cruise lines, hotels and tour companies can amount to as much as 100% of the purchase price.

"Ask your agency about out-of-province health insurance for travel outside of Canada. OHIP may only cover a portion of your expenses if you become ill or are involved in an accident. Make sure that you have adequate coverage for the country that you are planning to visit. Ensure that you carefully review the policy of any insurance before purchase."<sup>15</sup>

Even if you have cancellation insurance, make sure you are clear on the terms for trip cancellation. Most policies cover sudden and unforeseen circumstances (such as a medical emergency), but they do not cover things that are known to you at the time of booking.

“Remember, if it’s not listed in the Description of Coverage, it’s not covered!” says TICO. “Understanding what options are available to you may assist you in making an informed decision regarding whether to cancel or postpone your trip or to proceed with your travel plans.”<sup>16</sup>

Even if you don’t have trip cancellation and interruption travel insurance, under certain circumstances you may be able to get help from your travel agent.

In the event that you have to cancel your trip, meet with your travel agent to explore your options. While all tour operators have different policies, they may be able to offer you an alternative. You may be able to get a full refund, the value of your trip in travel vouchers, or change the time and date of your travel to accommodate your reasons for cancellation.

# Conclusion

TICO helps consumers with travel planning and gives them the confidence to book trips and vacations with reputable and reliable travel agencies in Ontario. TICO ensures travel agencies meet all industry requirements, and they can assist travellers should there be issues with a travel company.

When you take the time to choose a TICO-registered travel agency, protect yourself and your investment in your trip with a travel insurance policy, so you can truly travel worry-free.





<sup>1</sup> The Conference Board of Canada. *Outlook for Outbound Leisure Travel. Summer 2015.* Page 4.

<sup>2</sup> Ibid. Page 4.

<sup>3</sup> Ibid. Page 5.

<sup>4</sup> Ibid. Page 5.

<sup>5</sup> Ibid. Page 5.

<sup>6</sup> Travel Industry Council of Ontario. About TICO: Who We Are. <http://www.tico.ca/about-tico/who-we-are.html> (accessed June 2, 2015).

<sup>7</sup> Ibid.

<sup>8</sup> Consumer Protection Ontario. Booking a trip: your rights. <http://www.ontario.ca/consumers/booking-trip-your-rights> (accessed June 2, 2015).

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Travel Industry Council of Ontario. TICO Information Videos. <http://www.tico.ca/consumer-info/tico-videos.html#Regulation> (accessed June 3, 2015).

<sup>12</sup> Royal Canadian Mounted Police. Personal Information and Scams Protection – A Canadian Practical Guide. <http://www.rcmp-grc.gc.ca/scams-fraudes/canad-practical-pratique-guide-eng.htm#travel> (accessed June 3, 2015).

<sup>13</sup> Travel Industry Council of Ontario. Consumer Checklist. <http://www.tico.ca/consumer-info/consumer-checklist.html> (accessed June 3, 2015).

<sup>14</sup> Ibid.

<sup>15</sup> Travel Industry Council of Ontario. Consumer Travel Tips. <http://www.tico.ca/consumer-info/consumer-travel-tips.html> (accessed June 3, 2015).

<sup>16</sup> Travel Industry Council of Ontario. Need To Cancel Your Trip? Why Trip Cancellation Insurance Is Important. <http://tico.ca/blog/travel-advisory-travel-tips> (accessed June 3, 2015).